



[Docket No. FR-6379-N-01]

Mortgagee Review Board: Administrative Actions

AGENCY: Office of the Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, HUD.

ACTION: Notice.

SUMMARY: In compliance with the National Housing Act, this notice advises of the cause and description of administrative actions taken by HUD’s Mortgagee Review Board against FHA-approved mortgagees in fiscal year 2022.

FOR FURTHER INFORMATION CONTACT: Nancy A. Murray, Secretary to the Mortgagee Review Board, 451 Seventh Street SW, Room B-133, Washington, DC 20410-8000; telephone (202) 402-2701 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION: Section 202(c)(5) of the National Housing Act (12 U.S.C. 1708(c)(5)) requires that HUD “publish in the Federal Register a description of and the cause for administrative action against a[n FHA-approved] mortgagee” by HUD’s Mortgagee Review Board (“Board”). In compliance with the requirements of section 202(c)(5), this Notice advises of actions that have been taken by the Board in its meetings from the beginning of fiscal year 2022, October 1, 2021, through September 30, 2022, where settlement agreements have been reached, civil money penalties were imposed, or FHA participation was terminated as of February 21, 2023.

I. Civil Money Penalties, Withdrawals of FHA Approval, Suspensions, Probations, and Reprimands.

1. *AlaskaUSA Mortgage Company L.L.C., Anchorage, AK [Docket No. 22-2007-MR]*

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with AlaskaUSA Mortgage Company L.L.C. (“AlaskaUSA”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: AlaskaUSA failed to timely notify FHA of a state sanction in its fiscal year 2021.

2. *American Lending, Inc., Costa Mesa, CA [Docket No. 21-2185-MR]*

Action: On February 24, 2022, the Board voted to withdraw American Lending, Inc. (“American Lending”) for a period of three years.

Cause: The Board took this action based on the following alleged violations of FHA requirements: American Lending (a) failed to timely notify FHA of a state sanction in its fiscal year 2020; (b) submitted to FHA a false certification concerning its fiscal year 2020; (c) failed to maintain in its fiscal year 2020 the minimum required adjusted net worth; (d) failed to timely notify FHA of its minimum adjusted net worth deficiency in its fiscal year 2020; (e) failed to maintain the minimum required liquid assets in its fiscal year 2020; (f) failed to timely notify FHA of a required liquid assets deficiency in its fiscal year 2020; (g) failed to maintain a warehouse line of credit or other acceptable mortgage-funding program in its fiscal years 2020 and 2021; (h) failed to timely notify FHA of a funding program deficiency in its fiscal year 2020; (i) failed to timely notify FHA of a change in principal ownership in its fiscal year 2021; and (j) failed to comply with FHA underwriting requirements concerning one FHA-insured mortgage loan.

3. *Ark-La-Tex Financial Services L.L.C. d/b/a Benchmark, L.L.C., Plano, TX
[Docket No. 21-2191-MR]*

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Ark-La-Tex Financial Services L.L.C. d/b/a Benchmark (“Benchmark”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA

requirements: Benchmark (a) failed to timely notify FHA of an unresolved finding in its fiscal year 2020; and (b) failed to timely notify FHA of a state sanction in its fiscal year 2020.

4. *Aurora Financial Group, Wall Township, NJ [Docket No. 21-2235-MR]*

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Aurora Financial Group (“Aurora”) that included a civil money penalty of \$15,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Aurora: (a) failed to timely notify FHA of a state sanction in its fiscal year 2020; (b) failed to timely notify FHA of a state sanction in its fiscal year 2021; and (c) failed to timely notify FHA of a second state sanction in its fiscal year 2021.

5. *Bay to Bay Lending, L.L.C., Tampa, FL [Docket No. 21-2234-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Bay to Bay Lending, L.L.C. (“Bay to Bay”) that included a civil money penalty of \$40,490. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Bay to Bay: (a) failed to timely submit acceptable annual audited financial statements and supplemental reports for its fiscal year 2020; (b) failed to maintain the minimum required adjusted net worth throughout its fiscal year 2020; (c) failed to timely notify FHA of its minimum adjusted net worth deficiency for its fiscal year 2020; (d) failed to timely notify FHA of an operating loss in a fiscal quarter that exceeded 20 percent of its net worth in its fiscal year 2020; (e) failed to file the required quarterly financial statements subsequent to an operating loss exceeding 20 percent of its quarter-end net worth in its fiscal year 2020; and (f) failed to timely notify FHA of a change in principal ownership in its fiscal year 2020.

6. *Beeline Loans, Inc., Providence, RI [Docket No. 21-2136-MR]*

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Beeline Loans, Inc. (“Beeline”) that included a civil money penalty of \$15,000. The settlement

did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Beeline: (a) failed to timely notify FHA of an operating loss in a fiscal quarter that exceeded 20 percent of its net worth in its fiscal year 2020; (b) failed to file the required quarterly financial statements subsequent to an operating loss exceeding 20 percent of its quarter-end net worth in its fiscal year 2021; and (c) failed to file the required quarterly financial statements subsequent to an operating loss exceeding 20 percent of its quarter-end net worth in its fiscal year 2021.

7. *Bellwether Enterprise Real Estate Capital, Cleveland, OH [Docket No.21-2229-MR]*

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Bellwether Enterprise Real Estate Capital (“Bellwether”) that included an administrative payment of \$341,500. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA’s requirements: Bellwether obtained loan fees in excess of five percent for five loans that received reduced Mortgage Insurance Premium (“MIP”) rates under the Affordable and Green MIP Programs.

8. *BNB Financial, Inc., Glendale, CA [Docket No. 21-2252-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with BNB Financial, Inc. (“BNB”) that included a civil money penalty of \$15,245. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: BNB (a) failed to timely notify FHA of a state sanction in its fiscal year 2021; and (b) submitted to FHA a false certification concerning its fiscal year 2021.

9. *Broker Solutions, Inc., Tustin, CA*

Action: On February 24, 2022, the Board voted to concur on a settlement of a False

Claims Act lawsuit initiated by a relator against Broker Solutions, Inc. d/b/a New American Funding (“Broker Solutions”) and that included a payment of \$702,000 to FHA. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Broker Solutions (a) improperly compensated employees performing underwriting activities on a commission basis; (b) authorized certain managers or salespersons to override FHA and other government underwriting requirements; (c) took steps to improperly increase the appraised value of properties; (d) manipulated borrower income and debt information to improperly approve loans through TOTAL Mortgage Scorecard; and (e) withheld underwriting deficiencies identified by quality control auditors from FHA and other government entities.

10. Chu & Associates, Inc., d/b/a Fidelity Funding Bancorp, Pasadena, CA [Docket No. 21-2245-MR]

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Chu & Associates, Inc. (“Chu”) that included a civil money penalty of \$30,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Chu (a) failed to maintain the minimum required adjusted net worth in its fiscal years 2020 and 2021; (b) failed to timely notify FHA of its adjusted net worth deficiency in its fiscal years 2020 and 2021; (c) failed to maintain the minimum required liquid assets in its fiscal year 2020; and (d) failed to timely notify FHA of a liquid asset deficiency in its fiscal year 2020.

11. Cliffco Inc., Uniondale, NY [Docket No. 22-2205-MR]

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Cliffco Inc. (“Cliffco”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA

requirements: Cliffco failed to timely notify FHA of a state sanction in its fiscal year 2021.

12. Coastal States Mortgage, Inc., Hilton Head Island, SC [Docket No. 21-2202-MR]

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Coastal States Mortgage, Inc. (“Coastal States”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirement. Coastal States (a) failed to report an unresolved finding in its fiscal year 2019; and (b) failed to timely report a state sanction in its fiscal year 2019.

13. Columbus Capital Lending, L.L.C., d/b/a Zoom Loans, Miami, FL [Docket No. 22-2006-MR]

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Columbus Capital Lending, L.L.C. d/b/a Zoom Loans (“Zoom Loans”) that included a civil money penalty of \$15,245. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements. Zoom Loans (a) failed to timely notify FHA of a state sanction in its fiscal year 2020; and (b) submitted to FHA a false certification concerning its fiscal year 2020.

14. Contour Mortgage Corporation, Garden City, NY [Docket No. 21-2195-MR]

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Contour Mortgage Corporation (“Contour”) that included a civil money penalty of \$25,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements. Contour (a) failed to timely notify FHA of a state sanction in its fiscal years 2018 and 2020; (b) failed to timely notify FHA of a state sanction against its employee in its fiscal year 2018; and (c) submitted to FHA a false certification concerning its fiscal year 2018.

15. Credence Funding Corporation, Aberdeen, MD [Docket No. 22-2002-MR]

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with

Credence Funding Corporation (“Credence”) that included a civil money penalty of \$15,245.

The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Credence (a) failed to timely notify FHA of a state sanction in its fiscal year 2019; and (b) submitted to FHA a false certification concerning its fiscal year 2019.

16. *Del Sur Corporation, San Fernando, CA [Docket No.20-2145-MR]*

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Del Sur Corporation (“Del Sur”) that included a civil money penalty of \$38,977. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Del Sur failed to maintain an escrow account to segregate escrow commitment deposits, work completion deposits, and all periodic payments received for loans or insured mortgages on account of ground rents, taxes, assessments and insurance charges or premiums in its fiscal years 2017, 2018, 2019, and 2020.

17. *Dwight Capital LLC, New York, NY [Docket No. 21-2166-MR]*

Action: On September 15, 2022, the Board voted to enter into a settlement agreement with Dwight Capital LLC (“Dwight”) that included a civil money penalty of \$16,000,000, execution of 24 life-of-loan indemnifications, and a corrective action plan. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Dwight (a) obtained loan fees in excess of five percent for five loans that received reduced MIP rates under FHA’s Green MIP Program; (b) engaged in prohibited business practices, (c) failed to adopt a Quality Control (“QC”) Program that fully complied with HUD requirements; (d) failed to comply with its QC Program, (e) engaged in business practices that do not conform to generally accepted practices of prudent mortgagees; (f) failed to disclose identity of interest (“IOI”) relationships; (g) failed to properly disclose and review IOI borrowers; (h)

submitted to FHA false statements and false certifications; (i) submitted false information to the Mortgagee Review Board; and (j) violated use and disclosure requirements regarding brokers.

18. Evesham Mortgage L.L.C., Marlton, NJ [Docket No. 21-2246-MR]

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Evesham Mortgage L.L.C. (“Evesham”) that included a civil money penalty of \$59,567, and execution of five life-of loan indemnifications. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA Requirements: Evesham (a) failed to properly verify and document effective income on two loans; (b) failed to properly document gift funds for nine loans; (c) failed to properly document borrowers’ funds to close for two loans; (d) failed to document that a borrower whose underwriting approval relied on the use of retirement account assets was both eligible to make withdrawals and did, in fact, make the withdrawals; (e) failed to include all required documentation in the case binders for two loans; (f) failed to timely notify FHA of a state sanction in its fiscal year 2020; and (g) submitted to FHA a false certification concerning its fiscal year 2020.

19. Fairway Independent Mortgage Corporation, Madison, WI [Docket No. 21-2192-MR]

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Fairway Independent Mortgage Corporation (“Fairway”) that included a civil money penalty of \$96,960. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Fairway (a) failed to adopt and implement a QC Plan in compliance with FHA requirements; and (b) failed to comply with FHA’s self-reporting requirements to ensure it reported to FHA all fraud, misrepresentation, and other findings.

20. Finco Mortgage L.L.C., Scottsdale, AZ [Docket No. 22-2004-MR]

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Finco Mortgage L.L.C. d/b/a Minute Mortgage (“Minute Mortgage”) that included a civil money penalty of \$10,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Minute Mortgage (a) failed to maintain the minimum required adjusted net worth in its fiscal year 2021; and (b) failed to timely notify FHA of its minimum adjusted net worth deficiency in its fiscal year 2021.

21. GoodLeap, LLC, Roseville, CA [Docket No. 21-2250-MR]

Action: On September 15, 2022, the Board voted to enter into a settlement agreement with GoodLeap, LLC (“GoodLeap”) that included a civil money penalty of \$35,245. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: GoodLeap (a) failed to timely notify FHA of an operating loss in a fiscal quarter that exceeded 20 percent of its net worth in its fiscal year 2020 and fiscal year 2021; (b) failed to file the required quarterly financial statements subsequent to an operating loss exceeding 20 percent of its quarter-end net worth in its fiscal year 2020 and fiscal year 2021; (c) failed to timely notify FHA of a state sanction in its fiscal year 2020; and (d) submitted to FHA a false certification concerning its fiscal year 2020.

22. Grande Homes, Inc., National City, CA [Docket No. 21-2249-MR]

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Grande Homes, Inc. (“Grande Homes”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Grande Homes violated FHA requirements by failing to timely notify FHA of a change of its principal ownership in its fiscal year 2020.

23. Greystone Funding Company L.L.C., Atlanta, GA [Docket No. 22-2019-MR]

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Greystone Funding Company L.L.C. (“Greystone”) that included a civil money penalty of \$4,801,340 and required Greystone to update its training materials; improve its underwriting processes; institute review by senior staff and, if necessary, its legal department; instruct its team to err on the side of disclosure; expand its IOI screening; and amend its QC plan to clarify its reporting obligations. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Greystone: (a) falsely certified in three instances in each of twenty Section 223(a)(7) refinance applications submitted by Greystone in 2020 and 2021; (b) failed to disclose an ongoing Department of Justice investigation into the borrower’s projects and companies; and (c) failed to disclose an IOI with the borrower.

24. *Heartland Bank and Trust Company, Bloomington, IL [Docket No. 21-2209-MR]*

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Heartland Bank and Trust Company (“Heartland”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Heartland violated FHA requirements by failing to timely notify FHA of change in its business structure in fiscal year 2020.

25. *Jet Direct Funding Corp. d/b/a Jet Direct Mortgage, Bay Shore, NY [Docket No. 20-2019-MR]*

Action: On May 18, 2021, the Board voted to enter into a settlement agreement with Jet Direct Funding Corp. d/b/a Jet Direct Mortgage (“Jet Direct”) that included a civil money penalty of \$19,819. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Jet Direct (a) failed to timely notify FHA of a state sanction in its fiscal year 2018; (b) failed to timely notify FHA of a state sanction in its fiscal year 2019; and (c) submitted to

FHA a false certification concerning its fiscal year 2018.

26. *JSB Mortgage Corporation, La Mirada, CA [Docket No. 20-2067-MR]*

Action: On September 21, 2021, the Board voted to impose a civil money penalty of \$25,134 against JSB Mortgage Corporation (“JSB”).

Cause: The Board took this action based on the following alleged violations of FHA requirements: JSB (a) failed to timely notify FHA of a state sanction in its fiscal year 2019; (b) submitted to FHA a false certification concerning its fiscal year 2019; and (c) permitted its Officer in Charge to engage in dual employment.

27. *Manhattan Financial Group, Inc., Escondido, CA [Docket No. 21-2206-MR]*

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Manhattan Financial Group, Inc. (“Manhattan Financial”) that included a civil money penalty of \$10,067. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Manhattan Financial failed to timely notify FHA of a state sanction in its fiscal year 2019.

28. *Mortgage Clearing Corporation, Tulsa, OK [Docket No. 21-2253-MR]*

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Mortgage Clearing Corporation (“Mortgage Clearing”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Mortgage Clearing failed to timely notify FHA of a state sanction in its fiscal year 2021.

29. *Mortgage Solutions of Colorado L.L.C., Colorado Springs, CO [Docket No.22-2013-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Mortgage Solutions of Colorado L.L.C. (“Mortgage Solutions”) that included a civil money

penalty of \$15,366. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Mortgage Solutions (a) failed to timely notify FHA of a state sanction in its fiscal year 2020; and (b) submitted to FHA a false certification concerning its fiscal year 2020.

30. *New England Regional Mortgage Corporation, Salem, NH [Docket No. 22-2009-MR]*

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with New England Regional Mortgage Corp (“New England Regional”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: New England Regional failed to timely notify FHA of a state sanction in its fiscal year 2021.

31. *North American Financial Corporation, Henderson, NV [Docket No. 21-2214-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with North American Financial Corporation (“North American”) that included a civil money penalty of \$25,500. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: North American (a) originated 33 FHA loans between February 8, 2017 and August 27, 2018 without the appropriate state license; and (b) failed to timely notify FHA of a state sanction in its fiscal year 2020.

32. *Pacific Horizon Bancorp, La Crescenta, CA [Docket No. 22-2018-MR]*

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Pacific Horizon Bancorp (“Pacific Horizon”) that included a civil money penalty of \$15,245. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA

requirements: Pacific Horizon (a) failed to timely notify FHA of a state sanction in its fiscal year 2020; and (b) submitted to FHA a false certification concerning its fiscal year 2020.

33. *Poli Mortgage Group, Norwood, MA [Docket No. 22-2012-MR]*

Action: On September 15, 2022, the Board voted to enter into a settlement agreement with Poli Mortgage Group (“Poli”) that included a civil money penalty of \$15,245. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Poli (a) failed to timely notify FHA of a state sanction in its fiscal year 2020; and (b) submitted to FHA a false certification concerning its fiscal year 2020.

34. *ReNew Lending, Inc., Reno, NV [Docket No. 21-2254-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Renew Lending, Inc. (“ReNew”) that included a civil money penalty of \$10,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: ReNew (a) failed to maintain the minimum required liquid assets in its fiscal year 2020; and (b) failed to timely notify FHA of a liquid assets deficiency in its fiscal year 2020.

35. *Residential Acceptance Corporation, L.L.C., Tampa, FL [Docket No. 21-2198-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Residential Acceptance Corporation, L.L.C. (“Residential Acceptance”) that included a civil money penalty of \$30,490 and indemnification of one loan. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Residential Acceptance (a) failed to properly validate assets and resolve conflicting information during underwriting; (b) failed to meet FHA requirements in documenting gift funds; and (c) failed to timely notify FHA of two state sanctions in its fiscal

year 2021.

36. *Residential Mortgage Funding Inc., Orange, CA [Docket No. 22-2003-MR]*

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Residential Mortgage Funding, Inc. (“Residential Mortgage”) that included a civil money penalty of \$15,245. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Residential Mortgage (a) failed to timely notify FHA of a state sanction in its fiscal year 2020; and (b) submitted to FHA a false certification concerning its fiscal year 2020.

37. *Ruoff Mortgage Company Inc., Fort Wayne, IN [Docket No. 21-2183-MR]*

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Ruoff Mortgage Company Inc. (“Ruoff”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Ruoff failed to timely notify FHA of a state sanction in its fiscal year 2020.

38. *Rushmore Loan Management Services, L.L.C., Dallas, TX [Docket No. 22-2010-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Rushmore Loan Management Services (“Rushmore”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Rushmore failed to timely notify FHA of a state sanction in its fiscal year 2020.

39. *Sente Mortgage Inc., Austin, TX [Docket No. 22-2022-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Sente Mortgage, Inc. (“Sente”) that included a civil money penalty of \$15,366. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA

requirements: Sente (a) failed to timely notify FHA in its fiscal year 2021 of a state sanction; and (b) submitted to FHA a false certification concerning its fiscal year 2021.

40. ServiceMac L.L.C., Fort Mill, SC [Docket No. 21-2203-MR]

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with ServiceMac, L.L.C. (“ServiceMac”) that included a civil money penalty of \$20,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: ServiceMac (a) failed on four occasions to timely notify FHA of an operating loss in a fiscal quarter that exceeded 20 percent of its net worth in its fiscal year 2019; and (b) failed to file the required quarterly financial statements subsequent to an operating loss exceeding 20 percent of its quarter-end net worth in its fiscal year.

41. SouthPoint Financial Services, Inc., Alpharetta, GA [Docket No. 22-2021-MR]

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with SouthPoint Financial Services, Inc. (“SouthPoint”) that included a civil money penalty of \$10,067 and execution of one 5-year indemnification agreement. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Southpoint failed to adequately document the transfer of gift funds for an FHA insured loan.

42. Statewide Funding Inc. Ontario, CA [Docket No. 21-2215-MR]

Action: On September 15, 2022, the Board voted to enter into a settlement agreement with Statewide Funding, Inc. (“Statewide”) that included a civil money penalty of \$25,366 and Statewide’s submission of quarterly financial statements to FHA for one year. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: Statewide (a) failed to maintain in its fiscal years 2019, 2020, and 2021 the

minimum required adjusted net worth; and (b) failed to timely notify FHA of its adjusted net worth deficiency in its fiscal year 2020.

43. *Sunmark Credit Union, Latham, NY [Docket No.21-2200-MR]*

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Sunmark Credit Union (“Sunmark”) that included a civil money penalty of \$10,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Sunmark failed to timely notify FHA of two changes in its business structure (in, respectively, December 2018 and May 2019) involving Sunmark and two non-FHA approved credit unions.

44. *Sutherland Mortgage Services Inc., Sugar Land, TX [Docket No. 21-2247-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with Sutherland Mortgage Services Inc. (“Sutherland”) that included a civil money penalty of \$10,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Sutherland (a) failed to maintain the minimum required adjusted net worth for its fiscal year 2020; and (b) failed to timely notify FHA of an adjusted net worth deficiency in its fiscal year 2020.

45. *United Security Financial Corp., Murray, UT [Docket No. 21-2207-MR]*

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with United Security Financial Corp. (“United Security”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: United Security failed to timely notify FHA of a state sanction in its fiscal year 2020.

46. *US Direct Lender, La Canada Flintridge, CA [Docket No.21-2143-MR]*

Action: On June 16, 2022, the Board voted to enter into a settlement agreement with US Direct Lender (“US Direct”) that included a civil money penalty of \$25,490. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violations of FHA requirements: US Direct (a) falsely certified in its application for FHA approval that it had not been subject to any regulatory actions; (b) failed to timely notify FHA of a state sanction in its fiscal year 2020; and (c) submitted to FHA a false certification concerning its fiscal year 2020.

47. *Watermark Capital, Inc., Irvine, CA [Docket No. 22-2034-MR]*

Action: On September 15, 2022, the Board voted to enter into a settlement agreement with Watermark Capital, Inc. (“Watermark”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Watermark failed to timely notify FHA of a state sanction in its fiscal year 2021.

48. *Western Ohio Mortgage Corporation, Sidney, OH [Docket No. 21-2248-MR]*

Action: On February 24, 2022, the Board voted to enter into a settlement agreement with Western Ohio Mortgage Corporation (“Western Ohio”) that included a civil money penalty of \$15,245. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Western Ohio (a) failed to timely notify FHA of a state sanction in its fiscal year 2020; and (b) submitted to FHA a false certification concerning its fiscal year 2020.

49. *Wyndham Capital Mortgage, Inc., Charlotte, NC [Docket No. 21-2204-MR]*

Action: On December 7, 2021, the Board voted to enter into a settlement agreement with Wyndham Capital Mortgage, Inc. (“Wyndham”) that included a civil money penalty of \$5,000. The settlement did not constitute an admission of liability or fault.

Cause: The Board took this action based on the following alleged violation of FHA requirements: Wyndham failed to timely notify FHA of a state sanction in its fiscal year 2020.

II. Lenders that Failed to Timely Meet Requirements for Annual Recertification of FHA Approval but Came into Compliance.

Action: The Board entered into settlement agreements with the following lenders, which required the lender to pay a civil money penalty without admitting fault or liability.

Cause: The Board took these actions based upon allegations that the listed lenders failed to comply with FHA's annual recertification requirements in a timely manner.

The following lenders paid civil money penalties of \$10,366:

1. *Home Financing Center, Inc., Coral Gables, FL [Docket No. 22-2057-MRT]*
2. *Magnolia Bank, Magnolia, KY [Docket No 22-2032-MRT]*
3. *Obsidian Financial Services, Inc., Melbourne, FL [Docket No. 22-2043-MRT]*
4. *Republic First Bank d/b/a Republic Bank, Philadelphia, PA [Docket No. 22-2063-MRT]*

The following lender paid civil money penalties of \$10,245:

- Industrial Bank NA, Washington, DC [Docket No. 21-2230-MRT]*

The following lenders paid civil money penalties of \$5,000.

1. *A Plus Mortgage Services Inc., Muskego, WI [Docket No. 22-2044-MRT]*
2. *Accunet Mortgage L.L.C., Waukesha, WI [Docket No 22-2046-MRT]*
3. *Advantis Credit Union, Milwaukie, OR [Docket No.22-2031-MRT]*
4. *Augusta Financial Inc., Santa Clarita, CA [Docket No. 22-2053-MRT]*
5. *Bank, Wapello, IA [Docket No. 22-2033-MRT]*
6. *GenHome Mortgage Corporation f/k/a Beckam Funding Corp., Irvine, CA [Docket No. 21-2237-MRT]*
7. *Devon Bank, Chicago, Il [Docket No. 22-2016-MRT]*
8. *First Service Credit Union, Houston, TX [Docket No. 22-2030-MRT]*
9. *Forbright Bank, Chevy Chase, MD [Docket No. 22-2039-MRT]*

10. *Statebridge Company, L.L.C., Greenwood Village, CO [Docket No. 22-2050-MRT]*
11. *Verve, a Credit Union, Oshkosh, WI [Docket No. 22-2042-MRT]*

Julia R. Gordon,
Assistant Secretary for Housing – Federal Housing
Administration, Mortgagee Review Board,
Chairperson.

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